

General Information Letter: No license is required for individual providing volunteer services in connection with event.

March 20, 2007

Dear:

This is in response to your letter dated March 5, 2007 in which you request information regarding the Illinois Charitable Games Act ("the Act"; 230 ILCS 30/1 et seq.). The nature of your request and the information you have provided require that we respond with a General Information Letter (GIL). A GIL is designed to provide general information, is not a statement of Department policy and is not binding on the Department, See 86 Ill. Adm. Code 1200.120(b) and (c), which may be found on the Department's website at www.revenue.state.il.us.

In your letter you have stated the following:

My name is Mr. Z. I am a handicap person. I need a clarification from you under the Charitable Game Act regarding whether or not I need a license to bring together a charity poker holdum event, a banquet hall and the holdum poker players. According to Ms. Y in the Charitable Games Department, she believes I do not need a license under the current Charitable Games Act, since I will not be involved in the operation of the Charitable Games. She suggested that I defer to you for a final ruling. All I am going to be doing is putting the three together so the charities can have a successful event. There will be a fee for my services. What am I allowed to charge for my services if covered under the Charitable Games Act?

For the sake of simplicity, I call this position a coordinator. If you have a better title or description of this position, please let me know. If I need a license how do I get one, how much would it cost and what is it called. Again, I will not be participating in the charity event; all I will be doing as an organizer is only assisting the charity to create the charitable event.

RESPONSE

Under the Charitable Games Act a license is required (i) for the conducting of a charitable games event (230 ILCS 30/3); (ii) to provide premises for the conduct of charitable games (230 ILCS 30/5); and (iii) in order to sell, lease, lend, or distribute to a licensed organization supplies, devices, and other equipment designed for use in the playing of charitable games (230 ILCS 30/6). A license is not required in order to participate in the management or operation of a charitable game conducted by a licensed organization, or to perform other services on behalf of a licensed organization in connection with a charitable games event. However, under the Act only a bona fide member or employee of the licensed organization, or a volunteer recruited by the licensed organization, may participate in the management or operation of the game. 230 ILCS 30/8(2). In addition, no employee, owner, or officer of a consultant service hired by a licensed organization to perform services before the event, including training for volunteers or advertising, may participate in the management or operation of the game. Finally, no person may receive from any source, either directly or indirectly, remuneration or compensation for participating in the management or operation of a charitable game. 230 ILCS 30/8(3). Any person other than a bona fide member, employee, or volunteer who participates in the management or operation of a charitable game, and any person who receives compensation for participating in the management or operation of a charitable game, commits a violation of the Act. 230 ILCS 30/8(2).

The Act states that a person is considered to participate in the management or operation of a charitable game when he or she (i) sells admission tickets at the event, (ii) sells, redeems, or in any way assists in the selling or redeeming of chips, scrip, or play money, (iii) participates in the conducting of any games played during the event, (iv) supervises, directs, or instructs anyone conducting a game, or (v) at any time during the hours of a charitable games event counts, handles, or supervises anyone counting or handling, any of the proceeds or chips, scrip or play money at the event. Also, a person present at the game to ensure the games are being conducted in conformance with the rules established by the licensed organization or that the equipment is properly working is considered to be participating in the management or operation of the game. However, setting up, cleaning up, selling food and drink, or providing security for persons or property at the event (other than for the charitable games equipment or money, chips, or scrip used in conducting the game) does not constitute participation in the management or operation of the game. 230 ILCS 30/8. Department Regulations section 435.170(b) provides that conducting a game includes, but is not limited to, dealing cards in poker or other card games, spinning the roulette wheel, turning the chuck-a-luck cage, or acting as a croupier. 86 Ill. Adm. Code 435.170(b)

The Act also provides that only the organization licensed to conduct the charitable games event may have a proprietary interest in the game. 230 ILCS 30/8(11).

The Act provides both civil and criminal penalties for violation of any provision of the Act or rule of the Department. 230 ILCS 30/11, 30/12

In this case, you have indicated that you will not be conducting a charitable game, but will be conducting certain services in order to coordinate a charitable games event on behalf of a charity. Based on your description of the services that you will provide, you would not be considered to be participating in the management or operation of a charitable games event. The Act suggests that only activities performed at the event and during the event constitute participation in the management and operation of the charitable game. For example, the Act states that "setting up" for an event does not constitute participation in the management or operation of the game. Moreover, the Act precludes an owner or agent of a consulting service hired by a licensed organization to conduct services before an event from participating in the management or operation of the game. This clearly implies that such activities do not themselves constitute participation in the management or operation of the game.

Accordingly, the activities you propose to undertake in your letter do not violate the Act, and you are not required to obtain a license under the Act. In addition, because you will not be participating in the management and operation of a charitable game, nothing in the Act prohibits you from charging a fee for your services. However, you may not have a proprietary interest in a charitable games event. Therefore, although there is no prescribed limit on the amount of the fee you may charge, your fee may not be in the form of a proprietary interest in the game.

As stated above, this is a GIL which does not constitute a statement of policy that applies, interprets or prescribes the tax laws, and it is not binding on the Department. If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items one through eight of 86 Ill. Adm. Code 1200.110(b). If you have additional questions regarding this GIL, you may contact me at (217) 782-7055.

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Sincerely,

Brian L. Stocker
Staff Attorney (Income Tax)